REMARKS

In reply to the Office Action, Applicants traverse all the pending rejections. Claims 1-20 are currently pending.

Applicants thank the Examiner for speaking with Applicants' representative about the first paragraph on page 2 of the Office Action regarding a conditional request for a CPA. During the conversation, the Examiner stated that this paragraph is a cut and paste error and confirmed that the application is being properly treated in conformance with RCE practice.

Applicants believe that an interview with the Examiner would be very beneficial in advancing the prosecution of this application. Applicants hereby request an interview and ask that the Examiner contact Applicants' undersigned representative at 571-203-2748 to schedule a mutually convenient meeting.

In the Office Action, the Examiner rejected claims 1-20 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Application Publ. No. 2003/0036993 to Parthasarathy ("*Parthasarathy*") in view of U.S. Patent Application Publ. No. 2002/0019793 to Frattalone ("*Frattalone*").[1] Applicants traverse.

To establish a *prima facie* case of obviousness under 35 U.S.C. § 103, the Examiner must factually demonstrate three basic criteria. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings to produce the claimed invention. Second, there must be a reasonable expectation of success in combining the references to produce the

[1] To any extent that the Examiner characterizes the prior art or the claims, Applicant declines to automatically subscribe to any such characterization.

claimed invention. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure. *See* M.P.E.P. §§ 2142, 2143, citing *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991).

Deficiencies in *Parthasarathy*

As Applicants have pointed out in their last two responses, contrary to the Examiner's assertions, *Parthasarathy* fails to teach or suggest the claim limitations "providing, to a plurality of lenders and the plurality of borrowers, information about the plurality of offers to borrow" and "providing, to the plurality of borrowers and the plurality of lenders, information about the plurality of offers to lend" as recited in claim 3. Independent claims 1, 12, and 20, although of different scope, recite similar features.

Parthasarathy teaches a system that implements a lending and borrowing forum that introduces a potential borrower to one or more potential lenders, or a potential lender to one or more potential borrowers, based on loan offer parameters entered by the participants. (Abstract; paras. 12, 13, 34). The *Parthasarathy* system connects lenders and borrowers whose loan offer parameters match each other, so that they can potentially negotiate a loan agreement. (Abstract, paras. 12-15). Unlike the claimed invention, in the *Parthasarathy* system a potential borrower sees just the offers of matching lenders, and a potential lender sees just the offers of matching borrowers. (Paras. 54-57, 69). *Parthasarathy* therefore does not teach providing, to a plurality of lenders and the plurality of borrowers, information about the plurality of offers to borrow because *Parthasarathy*'s borrowers see only the matching lenders' data, not the data of

other borrowers. Similarly, *Parthasarathy* does not teach providing, to the plurality of borrowers and the plurality of lenders, information about the plurality of offers to lend because *Parthasarathy*'s lenders see only the matching borrowers' data, not the data of other lenders. In short, *Parthasarathy's* lenders and borrowers do not have access to market information about collateralized loan offers because all the borrower offer information and all the lender offer information is not available to both lenders and borrowers. *Parthasarathy* teaches that participants only receive information about potentially matching loan offers, not about other loan offers submitted to the system that are not a perfect match. *Frattalone* fails to cure this deficiency.

Applicants have pointed out this deficiency of *Parthasarathy* in their last two responses, and the Examiner has not answered this point to date. "Where the applicant traverses any rejection, the examiner should, if he or she repeats the rejection, take note of the applicant's argument and answer the substance of it." (M.P.E.P. § 707.07(f)). Applicants initially traversed the rejection of the independent claims and asserted this argument in the Reply to Office Action filed September 7, 2005. In the Final Office Action dated November 30, 2005, at page 3, the Examiner stated that *Parthasarathy* teaches a plurality of borrowers and lenders in an apparent attempt to meet the requirements of M.P.E.P. § 707.07(f), but the Examiner's statement did not address Applicants' argument, which is based on the express language of the claims. Applicants are arguing that *Parthasarathy* does not teach or suggest the claim elements "providing, to a plurality of lenders and the plurality of borrowers, information about the plurality of offers to borrow;" and "providing, to the plurality of borrowers and the plurality

of lenders, information about the plurality of offers to lend," not that Parthasarathy does not teach or suggest a plurality of borrowers and lenders.

In the Response filed March 30, 2006, Applicants reasserted the argument and expressly pointed out that the Examiner failed to take note of the argument and answer the substance of it. Despite this, the currently pending Office Action, dated June 16, 2006, contains no mention of Applicants' argument and makes no attempt to answer the substance of it.

For the reasons stated above and in the previous two responses, Applicants maintain that *Parthasarathy* does not teach or suggest "providing, to a plurality of lenders and the plurality of borrowers, information about the plurality of offers to borrow;" and "providing, to the plurality of borrowers and the plurality of lenders, information about the plurality of offers to lend" as recited in claim 3, and that this claim is allowable. Applicants further submit that independent claims 1, 12, and 20 are allowable for at least the same reasons, and that dependent claims 2, 4-11, and 13-19 are allowable at least by reason of their dependence from an allowable base claim. Should the Examiner disagree, Applicants respectfully request that the Examiner answer the substance of this argument by providing relevant citations to the prior art and a clear explanation of how this limitation is taught by the prior art, in accordance with the requirements of M.P.E.P. § 707.07(f).

Deficiencies in *Frattalone*

In the Office Action, the Examiner admits that *Parthasarathy* does not teach or suggest "firm offers to borrow and firm offers to lend," or "creating without an option to alter attributes of the firm offer to lend and attributes of the firm offer to borrow, a

secured loan between any borrowers or lenders identified by the set of entries that match attributes of the offer and a borrower or lender specified by the offer," as recited in claim 3, and the similar features recited in the other independent claims. The Examiner relied on *Frattalone* in combination with *Parthasarathy* for disclosing these claimed features. Applicants traverse because *Frattalone* does not teach or suggest these claim elements.

Frattalone teaches a method and apparatus for implementing a combined investment, wherein financing is obtaining by collateralizing a first investment representing ownership interests of a plurality of independent investors, and the financing is used to acquire a second investment. (Abstract; paras. 20, 25, 27-30). *Frattalone* discloses collateral, which is the first investment, as a critical component of the combined investment, and notes that if a collateral-backed loan is obtained from the investment firm that manages the first investment, then favorable financing will be obtainable as a consequence of the financing being collateralized by a portfolio under the investment firm's control and management. (Para. 40). *Frattalone*, however, discloses nothing related to "firm offers to borrow and firm offers to lend" as recited in the claims. In fact, *Frattalone* does not contain the phrase "firm offer" or the concept of a firm offer. In addition, it logically follows that because the *Frattalone* reference does not teach or suggest firm offers to borrow and firm offers to lend, it also does not disclose or suggest "creating, without an option to alter attributes of the firm offer to lend and attributes of the firm offer to borrow, a secured loan between any borrowers or lenders" whose offers match, as recited in claim 3.

In the Office Action, the Examiner argues that "[t]hese collateralized items to be investment vehicles are unable to be altered due to the pledge as initial collateral for the underlying assets of a particular firm. The firms have total control of lending borrowing, and creating collateralized loans." (Office Action at 4). As Applicants understand the Examiner's argument, the Examiner is interpreting the claim term "firm offer" to mean an offer that is made by a firm, such as an investment firm, as disclosed in *Frattalone* paragraph 40. If this understanding is correct, Applicants respectfully submit that the Examiner has misinterpreted the term "firm offer" as recited in the claims and as used in the art. An exemplary definition of "firm offer," as used and understood in the art, is an offer that is fixed and definite; not subject to change; binding and definite. Other similar definitions of "firm offer" are understood by those of skill in the art, but none of them include an offer that is made by a firm, such as an investment firm.

If the Examiner is arguing that paragraph 40 of *Frattalone* teaches or suggests a firm offer, as that term is understood and used in the art, Applicants strongly disagree. Paragraph 40 of *Frattalone* states:

> In accordance with the present invention, the portfolio is then collateralized, e.g. pledged as collateral, to obtain financing, as shown at step 28. In the example of FIG. 2, the financing includes a line of credit. In a preferred embodiment, the financing is provided by an investment firm, namely the investment firm actively managing the portfolio in step 26. In this manner, it is anticipated that favorable financing will be obtainable as a consequence of the financing being collateralized by a portfolio under the investment firm's management and control.

This paragraph clearly does not disclose or suggest firm offers with the characteristics recited in the claims. Applicants submit that this teaching does not disclose or suggest the claim element because the concept of an investment management company making a firm offer to itself for a loan collateralized by its own

portfolio is nonsensical. Similarly, paragraphs 41-43, and 54, which the Examiner also cites for support, also do not teach or suggest anything related to the claim term "firm offer" as that term is understood and used in the art.

Moreover, *Frattalone* teaches that the financing arrangements available using the first investment as collateral are quite varied and negotiable, in contrast to a firm offer. For example, paragraph 28 states:

> Next, the portfolio is collateralized to obtain financing, as shown at step 14. For example, this may involve pledging all or a portion of the first investment as collateral to obtain collateralized financing. . . . As "collateral" or "collateralize" is used herein, this may or may not results in a contractual or legal surety. . . . From the financier's perspective, the financing is collateral-backed lending obtainable in accordance with the lender's normal underwriting policies. The financing may take any suitable form, e.g. a line of credit, a self-liquidating loan, a fixed rate loan, a variable rate loan, an interest-only loan, a term or balloon loan, or any combination of one or more thereof.

(See also paras. 41, 58).

Thus, *Frattalone* teaches that all aspects of the financing are negotiable. As is known in the art, loans according to a "lender's normal underwriting policies" are typically arranged over a period of time by negotiating with several lenders until a desirable arrangement is reached. By contrast, the claim recites "firm offers to borrow and firm offers to lend, wherein each entry for a firm offer to borrow includes data identifying a desired loan asset, data identifying collateral for the desired loan asset, and a unique identification of a borrower, and wherein each entry for a firm offer to lend includes a unique identification of a lender and data specifying conditions under which the lender will supply a loan to a borrower" in a system that matches the firms offers to "creat[e] without an option to alter attributes of the firm offer to lend and attributes of the firm offer to borrow, a secured loan between any borrowers or lenders identified by the

set of entries that match attributes of the offer and a borrower or lender specified by the offer." The multiple financing options and normal underwriting policies disclosed by *Frattalone* do not teach or suggest these features.

Lack of Suggestion or Motivation to Combine

Applicants also traverse the section 103 rejection because the Office Action does not demonstrate some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to combine the teachings of *Parthasarathy* and *Frattalone* to produce the claimed invention. The Office Action merely states that "it would have been obvious to one of ordinary skill in the art to create without an option to alter attributes in relation to collateralized loans as managed by a firm for borrowing and lending information as disclose[d] in *Frattalone*." (Office Action at 4). This conclusory statement does not indicate any suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to combine the teachings of *Parthasarathy* and *Frattalone* to produce the claimed invention,[2] and the Office Action says nothing further.

"The initial burden is on the examiner to provide some suggestion of the desirability of doing what the inventor has done." (M.P.E.P. § 2142). "The examiner bears the initial burden of factually supporting any *prima facie* conclusion of obviousness. If the examiner does not produce a *prima facie* case, the applicant is under no obligation to submit evidence of nonobviousness." (Id.). The Office Action provides no factual support, such as citations to the references or other evidence of the

[2] Moreover, Applicants believe this statement may be founded on the Examiner's fundamental misinterpretation of the claim term "firm offer" as explained previously, thus rendering it inapplicable to the issues at hand.

knowledge in the art at the time, for the Examiner's conclusion that it would have been to combine the teachings of *Parthasarathy* and *Frattalone* to produce the claimed invention.

Conclusion

Accordingly, because the cited references do not teach or suggest all the claim limitations, and because there is no suggestion or motivation to combine the references to produce the claimed invention, the Office Action does not establish a *prima facie* case of obviousness. Therefore, Applicants respectfully request the withdrawal of the rejection of claims 1-20 under 35 U.S.C. § 103(a).

In view of the foregoing amendments and remarks, Applicants respectfully request reconsideration and reexamination of this application and the timely allowance of the pending claims.

Please grant any extensions of time required to enter this response and charge any additional required fees to our deposit account 06-0916.

Respectfully submitted,

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Dated: September 14, 2006

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